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# HOUSE BILL No. 1388

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 6-8.1-1-1.

**Synopsis:** Deferral of property tax payments. Allows a taxpayer (who must be a senior citizen or the surviving spouse of a senior citizen) to defer payment of a portion of the property taxes on the taxpayer's homestead if certain criteria are met. Allows deferral of payment of the portion of the property taxes which exceeds a certain base amount.

**Effective:** Upon passage.

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January 20, 2004, read first time and referred to Committee on Ways and Means.

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Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## HOUSE BILL No. 1388

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-5-7 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A person to  
3       whom the title to real property has passed, either under the laws of  
4       descent of this state or by virtue of the last will of a decedent, may  
5       procure a transfer of the real property on the tax duplicate on which the  
6       real property is assessed and taxed. In order to procure the transfer, the  
7       person must prepare an affidavit and, except as provided in section 9  
8       of this chapter, file it with the auditor of the county in which the real  
9       property is situated. The affidavit shall contain the following  
10      information:

11       (1) The ~~decedent's~~ **person's** date of death.

12       (2) Whether the ~~decedent~~ **person** died testate or intestate. ~~and~~

13       (3) The affiant's interest in the real property.

14       **(4) If the real property is residential property, the amount of**  
15       **any taxes that have been deferred under IC 6-1.1-45.**

16      In addition, if the ~~decedent~~ **person** died testate, the affiant must attach  
17      a certified copy of the decedent's will to the affidavit. However, if the



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will has been probated or recorded in the county in which the real property is located, the affiant, in lieu of attaching a certified copy of the will, shall state that fact in the affidavit and indicate the volume and page of the record where the will may be found.

(b) Except as provided in section 9 of this chapter, the county auditor shall enter a transfer of the real property in the proper transfer book after the affidavit is filed with ~~his~~ **the county auditor's** office.

(c) No transfer made under this section has the effect of conferring title upon the person procuring the transfer.

**(d) Before the county auditor may transfer real property described in subsection (a) on the last assessment list or apportion the assessed value of the real property among the owners, the owner must pay or otherwise satisfy all taxes on the parcels being transferred that have become due under IC 6-1.1-45 as a result of the death of the person by paying the property tax to the county treasurer of the county in which the real property is located.**

**(e) A lien for and the duty to pay property taxes that are due and owing is not released or otherwise extinguished if a county auditor transfers the real property in the proper transfer book in violation of subsection (d). Property taxes that are due and owing on the affected parcel of property may be collected as if the county auditor had not transferred the property in the proper transfer book in violation of subsection (d).**

SECTION 2. IC 6-1.1-5.5-5, AS AMENDED BY P.L.90-2002, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land, improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name and address of each transferor and transferee.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.

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(12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).

(13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but excluding tax payments and payments for legal and other services that are incidental to the conveyance.

(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.

(15) Any family or business relationship existing between the transferor and the transferee.

**(16) If the transferred property is residential property, the amount of any taxes deferred under IC 6-1.1-45.**

(17) Other information as required by the department of local government finance to carry out this chapter.

SECTION 3. IC 6-1.1-22-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. On or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit **and the amount of taxes deferred under IC 6-1.1-45** at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies **and deferred taxes**. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The **offices of the** auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract ~~in his office~~ as a public record.

SECTION 4. IC 6-1.1-22-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The county treasurer shall keep a register of taxes and special assessments in the manner and on the form prescribed by the state board of accounts. **The county treasurer** shall enter:

(1) each payment of the taxes and special assessments in the register on the day the payment is received; **and**

(2) **the deferral of the payment of property taxes in the**

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**register on the day that a notice is received from the county auditor under IC 6-1.1-45.**

SECTION 5. IC 6-1.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county treasurer shall either:

(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a statement of current and delinquent taxes and special assessments; or

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records, a statement of current and delinquent taxes and special assessments.

(b) The county treasurer may include the following in the statement:

(1) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(2) Information designed to inform the taxpayer or mortgagee clearly and accurately of the manner in which the taxes billed in the tax statement are to be used.

**(c) The county treasurer shall include in a statement concerning residential real property that is distributed under subsection (a) after March 24, 2004 the following:**

**(1) Information concerning the availability of the property tax deferral program under IC 6-1.1-45.**

**(2) The cumulative total of each of the property taxes deferred under IC 6-1.1-45 in the current year and all prior years, if the amount is greater than zero (0).**

**(d)** A form used and the method by which the statement and information, if any, are transmitted must be approved by the state board of accounts. The county treasurer may mail or transmit the statement and information, if any, one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must

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1 contain the dates on which the first and second installments are due and  
2 denote the amount of money to be paid for each installment.

3 ~~(c)~~ (e) All payments of property taxes and special assessments shall  
4 be made to the county treasurer. The county treasurer, when authorized  
5 by the board of county commissioners, may open temporary offices for  
6 the collection of taxes in cities and towns in the county other than the  
7 county seat.

8 SECTION 6. IC 6-1.1-22-9, AS AMENDED BY P.L.1-2004,  
9 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 UPON PASSAGE]: Sec. 9. (a) Except as provided in IC 6-1.1-7-7,  
11 **IC 6-1.1-45**, section 9.5 of this chapter, and subsection (b), the  
12 property taxes assessed for a year under this article are due in two (2)  
13 equal installments on May 10 and November 10 of the following year.

14 (b) A county council may adopt an ordinance to require a person to  
15 pay the person's property tax liability in one (1) installment, if the tax  
16 liability for a particular year is less than twenty-five dollars (\$25). If the  
17 county council has adopted such an ordinance, then whenever a tax  
18 statement mailed under section 8 of this chapter shows that the person's  
19 property tax liability for a year is less than twenty-five dollars (\$25) for  
20 the property covered by that statement, the tax liability for that year is  
21 due in one (1) installment on May 10 of that year.

22 (c) If property taxes are not paid on or before the due date, the  
23 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
24 taxes.

25 (d) Notwithstanding any other law, a property tax liability of less  
26 than five dollars (\$5) is increased to five dollars (\$5). The difference  
27 between the actual liability and the five dollar (\$5) amount that appears  
28 on the statement is a statement processing charge. The statement  
29 processing charge is considered a part of the tax liability.

30 SECTION 7. IC 6-1.1-22-10 IS AMENDED TO READ AS  
31 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A person  
32 who is liable for property taxes under IC 6-1.1-2-4, **including property**  
33 **taxes deferred under IC 6-1.1-45 after the deferred taxes become**  
34 **due**, is personally liable for the taxes and all penalties, cost, and  
35 collection expenses, including reasonable attorney's fees and court  
36 costs, resulting from late payment of the taxes.

37 (b) A person's liability under this section may be enforced by any  
38 legal remedy, including a civil lawsuit instituted by a county treasurer  
39 or a county executive to collect delinquent taxes. One (1) action may  
40 be initiated to collect all taxes, penalties, cost, and collection expenses  
41 levied against a person in the same county for one (1) or more years.  
42 However, an action may not be initiated to enforce the collection of

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taxes after ten (10) years from the first Monday in May of the year in which the taxes first became due. An action initiated within the ten (10) year period may be prosecuted to termination.

**(c) In addition to any other method of collection authorized under this article, the department of state revenue may collect:**

**(1) property taxes deferred under IC 6-1.1-45, after the deferred taxes become due; and**

**(2) all penalties, costs, and collection expenses, including reasonable attorney's fees and court costs accruing under this article, after the deferred taxes become due under IC 6-1.1-45;**

**as a listed tax.**

SECTION 8. IC 6-1.1-45 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 45. Senior Citizen Property Tax Deferral Program**

**Sec. 1. (a) This chapter applies to the deferral of the due date for the part of the ad valorem property taxes on a homestead otherwise first due and payable in a year that exceeds the base taxable amount.**

**(b) This chapter does not apply to the deferral of any of the following:**

**(1) Special assessments chargeable against a homestead.**

**(2) Fees or charges that are included, by law, on a tax statement issued under IC 6-1.1-22-8 for parcels that include a homestead.**

**Sec. 2. (a) As used in this chapter, "base taxable amount" means the sum of the following, adjusted as required under subsections (b) and (c):**

**(1) One hundred thirty percent (130%) of the amount of ad valorem property tax liability imposed on a homestead for the later of the following:**

**(A) The March 1, 2001, assessment date for property taxes first due and payable in 2002, if the claimant was an owner of the homestead on that assessment date.**

**(B) The first assessment date on which the claimant is an owner of the homestead.**

**(2) Ad valorem property tax liability imposed on a homestead for improvements made to a homestead after the date specified in subdivision (1).**

**(b) For property taxes first due and payable for assessment dates after the later of the March 1, 2003, assessment date or the**

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assessment date specified in subsection (a)(1)(B), the amount determined under subsection (a)(1) must be adjusted under this subsection. The adjusted amount is equal to the amount determined for the immediately preceding year under this section multiplied by the assessed value growth quotient applicable to property taxes payable in that year under IC 6-1.1-18.5-2.

(c) For property taxes first due and payable under subsection (a)(2) for assessment dates after the first assessment date on which an improvement is subject to tax liability, the amount determined under subsection (a)(2) must be adjusted under this subsection. The adjusted amount is equal to the amount determined for the immediately preceding year under this section multiplied by the assessed value growth quotient applicable to property taxes payable in that year under IC 6-1.1-18.5-2.

Sec. 3. As used in this chapter, "claimant" means a person filing an application for the deferral of taxes.

Sec. 4. As used in this chapter, "homestead" means a homestead as determined in the manner provided in IC 6-1.1-20.9.

Sec. 5. As used in this chapter, "senior citizen" means a person who is at least sixty-five (65) years of age before January 1 of a year in which taxes, subject to an application for deferral under this chapter, would otherwise be first due and payable.

Sec. 6. As used in this chapter, "surviving spouse of a senior citizen" means a surviving spouse of a senior citizen as determined in the manner provided in IC 6-1.1-12-9.

Sec. 7. For purposes of this chapter, a person shall be treated as:

- (1) the owner of a homestead if the person has a relation to the homestead that qualifies the homestead for a homestead credit under IC 6-1.1-20.9; and
- (2) having an interest that is an equity interest if the person:
  - (A) is a beneficiary of a trust that has an equity interest in a homestead; or
  - (B) has a life estate in the homestead.

Sec. 8. A claimant may defer the due date for the part of the ad valorem property taxes on a homestead otherwise first due and payable in a year that exceeds the sum of the base taxable amount if the following criteria are met:

- (1) The homestead is the claimant's principal place of residence, as determined in the manner provided in IC 6-1.1-20.9.
- (2) The claimant is an owner of the homestead.
- (3) The claimant is:

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- 1 (A) a senior citizen; or  
 2 (B) the surviving spouse of a senior citizen.  
 3 (4) The owners of the homestead, including the claimant,  
 4 must:  
 5 (A) have at least a twenty percent (20%) equity interest in  
 6 the homestead; and  
 7 (B) meet any other criteria established by the department  
 8 of local government finance that are reasonably necessary  
 9 to protect the government's interest in recovering taxes  
 10 deferred under this chapter when the deferred taxes  
 11 become due.  
 12 (5) If the claimant is:  
 13 (A) a life tenant, the claimant has the consent of the  
 14 holders of the remainder interest; or  
 15 (B) purchasing the property on contract, the claimant has  
 16 the consent of the seller and any other persons purchasing  
 17 the homestead on contract;  
 18 to defer the payment of taxes under this chapter.  
 19 (6) On the date a claim is filed under this chapter, the  
 20 claimant is not delinquent in the payment of any taxes  
 21 imposed on the homestead.  
 22 (7) The claimant files a written application for the deferral in  
 23 the manner and within the time required under this chapter.  
 24 **Sec. 9. The failure of a claimant to file an application for:**  
 25 (1) a deduction under IC 6-1.1-12; or  
 26 (2) a homestead credit under IC 6-1.1-20.9;  
 27 for which the homestead would otherwise be eligible does not  
 28 disqualify the claimant from a deferral of taxes under this chapter.  
 29 **Sec. 10. An application for the deferral of taxes under this**  
 30 **chapter may be filed by:**  
 31 (1) an individual who qualifies for a deferral of taxes under  
 32 this chapter;  
 33 (2) a guardian of the property of the individual described in  
 34 subdivision (1); or  
 35 (3) an attorney in fact of the individual described in  
 36 subdivision (1), as signified by a written power of attorney.  
 37 **Sec. 11. An application for a deferral of taxes under this chapter**  
 38 **must be filed with the county auditor in the county in which the**  
 39 **homestead is located:**  
 40 (1) after January 1; and  
 41 (2) before May 11;  
 42 of the year in which the taxes being deferred would otherwise be

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first due and payable. However, the county auditor may set a later filing deadline for an application upon showing just cause.

Sec. 12. (a) An application for a deferral of taxes under this chapter must:

- (1) be filed on the forms;
- (2) contain the information; and
- (3) be accompanied by any additional information; prescribed by the department of local government finance.

(b) If the department of local government finance does not require submission of income tax returns under subsection (a), the county auditor may require a claimant to provide the state and federal income tax returns of an individual described in IC 6-1.1-12-9(a)(2) for the immediately preceding year to assist the county auditor in determining the amount of combined adjusted gross income for the homestead.

(c) The claimant shall verify under penalties of perjury the truth of the information set forth in an application.

Sec. 13. The county auditor shall grant applications of claimants who qualify under this chapter.

Sec. 14. If an application for a deferral of taxes under this chapter is not granted in full, the county auditor shall notify the claimant by mail. The claimant may appeal a ruling that wholly or partially denies an application in the same manner that appeals may be taken under IC 6-1.1-15.

Sec. 15. (a) If the county auditor grants an application under this chapter:

- (1) the county auditor shall send a written notice of the approval of the application to:
  - (A) the claimant; and
  - (B) if the homestead includes real property, the county recorder;
- (2) the county auditor shall send an electronic or a written copy of the notice, as determined by the county treasurer, to the county treasurer; and
- (3) the county auditor shall send an electronic copy of the notice to the department of local government finance.

(b) The written notice provided by the county auditor under subsection (a) must be in the form prescribed by the department of local government finance. The electronic copy must be in the form jointly prescribed by the department of local government finance and the legislative services agency.

(c) The notice provided by the county auditor under subsection

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(a) must include at least the following information:

- (1) The name of the claimant.
- (2) A statement indicating that the deferral of taxes otherwise due in the specified year is approved.
- (3) A statement identifying the amount of tax liability that is deferred for each taxing unit and the total amount of taxes that is deferred.
- (4) A legal description of the homestead for which taxes are deferred.
- (5) The index number assigned under IC 6-1.1-5-2 for the homestead or, if an index system is not used in the county, a description of the county, township, block, and parcel or lot in which the homestead is located.
- (6) A statement indicating that the deferred taxes are a lien on the property relating back to the assessment date for the taxes.
- (7) A description of the conditions under which the taxes become due.
- (8) A description of the procedure that should be followed to pay the taxes.

The electronic copy of the notice submitted to the department of local government finance must include the Social Security number or other taxpayer identification number used by the claimant on the claimant's state adjusted gross income tax returns.

(d) The notice provided by the county auditor under subsection (a) must include or be accompanied by a brief statement explaining the following:

- (1) A taxpayer whose property taxes are paid by a lender via an escrow or other similar account must enter the total amount of each installment on a copy of the notice and mail the copy to the county treasurer.
- (2) The taxpayer will receive a refund check from the county in the amount that the taxpayer entered on the notice, within thirty (30) days after the later of:
  - (A) the date on which the installment is paid by the lender; or
  - (B) the date on which the notice is received by the county treasurer.
- (3) The intent of this procedure is to ensure that the taxes on the claimant's homestead are not paid twice.

Sec. 16. The county recorder shall record a notice of deferral received under section 15 of this chapter, without charge, in the

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1 miscellaneous records of the county recorder.

2 Sec. 17. The department of local government finance shall  
3 distribute a copy of each notice received under section 15 of this  
4 chapter to the department of state revenue and, in an electronic  
5 format under IC 5-14-6, to the legislative services agency.

6 Sec. 18. (a) Not later than the next distribution date under  
7 IC 6-1.1-21-10 after the department of state revenue receives a  
8 notice under section 17 of this chapter, the department of state  
9 revenue shall distribute from the state general fund to the county  
10 treasurer an amount equal to the amount of the deferred taxes  
11 covered by the notice, less an amount equal to the amount of  
12 deferred taxes imposed by the state. The department of state  
13 revenue shall notify the auditor of state to transfer from the state  
14 general fund to the appropriate fund an amount equal to the  
15 deferred taxes imposed by the state.

16 (b) An amount distributed under subsection (a) is a temporary  
17 advance of the deferred taxes. The amount is not a debt of a taxing  
18 unit but is subject to repayment solely from amounts collected  
19 when the deferred taxes become due.

20 (c) Within thirty (30) days after receipt, a county treasurer shall  
21 distribute the money received from the department of state  
22 revenue among the entities imposing the deferred taxes in  
23 proportion to the amount of deferred taxes imposed by each entity.

24 (d) An amount distributed or transferred under this section is  
25 available for use by a taxing unit to the same extent and in the  
26 same manner as if the amount had been collected as taxes. For  
27 purposes of computing the ad valorem property tax levy limits  
28 imposed under IC 6-1.1-18.5-3 or another provision, a taxing unit's  
29 ad valorem property tax levy for a particular calendar year  
30 includes that part of the levy deferred under this chapter.

31 (e) An error in the amount distributed or transferred under this  
32 section shall be corrected on the next settlement date after the  
33 error is discovered.

34 (f) The amounts necessary to make the distributions and  
35 transfers required by this section are annually appropriated from  
36 the state general fund.

37 Sec. 19. The approval of an application for a deferral of taxes  
38 under this chapter defers the due date for the payment of an  
39 installment of taxes even if the approval occurs after the due date  
40 under IC 6-1.1-22-9.

41 Sec. 20. (a) Subject to subsection (b) and (c), taxes deferred  
42 under this chapter become due on the earliest of the following:

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(1) Subject to subdivision (3), thirty (30) days after the claimant ceases to occupy the homestead as the claimant's principal place of residence, as determined in the manner provided in IC 6-1.1-20.9.

(2) The date on which the owners cease to have at least a twenty percent (20%) equity interest in the homestead by reason other than death.

(3) If the claimant has died, the earliest of the following:

(A) The date on which an inheritance tax return would be due under IC 6-4.1 for the deceased claimant even if the estate of the deceased claimant is not required to file an inheritance return.

(B) The date on which the estate of the deceased claimant ceases to have at least a twenty percent (20%) equity interest in the homestead.

(C) Thirty (30) days after the date of the claimant's death, if the homestead transfers by operation of law or under an agreement on or after the claimant's death without becoming part of the estate of the deceased claimant.

(4) The date on which the claimant or another owner fails to comply with the requirements of a prior recorded security interest in the homestead that is senior to the lien for deferred amounts.

(b) Deferred taxes do not become due if the claimant's interest in a homestead is transferred to a trust and the claimant occupies the homestead as the claimant's principal place of residence, as determined in the manner provided in IC 6-1.1-20.9, after the transfer.

(c) Deferred taxes do not become due if the deceased claimant's interest in a homestead is transferred to the surviving spouse of the deceased claimant by death or other transfer and the surviving spouse of the deceased claimant occupies the homestead as the claimant's principal place of residence, as determined in the manner provided in IC 6-1.1-20.9, after the transfer. For purposes of applying subsection (a), the surviving spouse of the deceased claimant shall be treated as the claimant if the deceased claimant's interest is transferred as described in this subsection.

**Sec. 21.** No penalties or interest accrues on the taxes deferred under this chapter until the due date for the taxes established by section 20 of this chapter.

**Sec. 22.** If taxes coming due under section 20 of this chapter are not paid by the due date, the taxes shall be treated as delinquent

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property taxes under this article. The county auditor, in the manner prescribed by the department of local government finance, shall notify the department of local government finance of the delinquency within fifteen (15) days after the taxes become delinquent.

Sec. 23. When taxes deferred under this chapter are paid, the county treasurer shall:

- (1) record the taxes as paid;
- (2) notify the county auditor of the payment;
- (3) if the deferred taxes are for real property, submit a written release of the lien for the amount of the payment to the county recorder for recording in the miscellaneous records of the county recorder;
- (4) notify the department of local government finance of the payment in the form prescribed by the department of local government finance; and
- (5) distribute the amount of the payment to the auditor of state for deposit in the state general fund.

The department of local government finance shall notify the legislative services agency (in an electronic format under IC 5-14-6) and the department of state revenue of the payment.

Sec. 24. (a) Except:

- (1) as required by federal law or regulation;
- (2) in the case of a loan that is made, guaranteed, or insured by a federal government lending or insuring agency requiring the borrower to make payments to a lender with respect to an escrow or other type of account; or
- (3) in a case in which this section would impair the obligations of a borrower under an agreement executed before March 1, 2004;

a lender shall not require a borrower to maintain an escrow or other type of account with regard to taxes for which the borrower has elected to defer taxes under this chapter.

(b) For purposes of applying this section, an election to defer taxes in any year shall be treated as an election to defer a similar amount of taxes in later years except to the extent that:

- (1) the borrower notifies the lender of different terms; or
- (2) an application to defer taxes for a subsequent year is not filed within the time required under section 11 of this chapter.

(c) Any payments made by the borrower to the escrow or other type of account with regard to taxes, before the time of submission of the evidence of tax deferral, for any period, if not previously

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1 **used in payment or partial payment of taxes, shall be refunded to**  
 2 **the borrower within thirty (30) days after the payment is made.**

3 SECTION 9. IC 6-8.1-1-1, AS AMENDED BY P.L.192-2002(ss),  
 4 SECTION 140, IS AMENDED TO READ AS FOLLOWS  
 5 [EFFECTIVE UPON PASSAGE]: Sec. 1. "Listed taxes" or "taxes"  
 6 includes only the pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5);  
 7 the riverboat admissions tax (IC 4-33-12); the riverboat wagering tax  
 8 (IC 4-33-13); **the senior citizen deferred tax liability (IC 6-1.1-45);**  
 9 the gross income tax (IC 6-2.1) (repealed); the utility receipts tax  
 10 (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted  
 11 gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8)  
 12 (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the  
 13 county option income tax (IC 6-3.5-6); the county economic  
 14 development income tax (IC 6-3.5-7); the municipal option income tax  
 15 (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial  
 16 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative  
 17 fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor  
 18 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a  
 19 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax  
 20 (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the  
 21 hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1);  
 22 the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the  
 23 wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5);  
 24 the malt excise tax (IC 7.1-4-5); the petroleum severance tax  
 25 (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various county  
 26 food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13  
 27 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and  
 28 hazardous chemical inventory form fee (IC 6-6-10); the penalties  
 29 assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and  
 30 penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the  
 31 underground storage tank fee (IC 13-23); the solid waste management  
 32 fee (IC 13-20-22); and any other tax or fee that the department is  
 33 required to collect or administer.

34 SECTION 10. [EFFECTIVE UPON PASSAGE] **(a) The definitions**  
 35 **in IC 6-1.1-1 apply throughout this SECTION.**

36 **(b) IC 6-1.1-45, as added by this act, applies only to ad valorem**  
 37 **property taxes first due and payable for assessment dates after**  
 38 **February 29, 2004.**

39 SECTION 11. **An emergency is declared for this act.**

**C**  
**O**  
**P**  
**Y**

